

## **Background on Christopher Cox**

### **Experience.**

**During his nearly two decades in Congress, Chairman Cox has served as a senior member of every House committee with legislative and oversight jurisdiction over the Securities and Exchange Commission, securities law, and accounting standards:**

- o Financial Services Committee  
-- *primary authorizing committee for the SEC*
- o Energy and Commerce Committee  
-- *former primary authorizing committee for the SEC*
- o Government Reform Committee  
-- *oversight authority over SEC*
- o Budget Committee  
-- *responsible for U.S. government finance*
- o Joint Economic Committee  
-- *House-Senate panel focused on finance and economics*
- o Chairman, House Task Force on Capital Markets  
-- *Produced Cox-authored legislation, first introduced in 1992, to end double tax on dividends; culminated in enactment of 2003 dividend tax reduction signed by President Bush*
- o Chairman, House Task Force on Budget Process Reform

**Chairman Cox was a leader in passage of each of the major securities laws enacted in the last two decades:**

- o Sarbanes-Oxley Act of 2002  
-- Member, House-Senate Conference Committee
- o Gramm-Leach-Bliley Act of 1999  
-- Member, House-Senate Conference Committee
- o Securities Litigation Uniform Standards Act of 1998  
-- Member, House-Senate Conference Committee
- o Private Securities Litigation Reform Act of 1995  
-- Author of House bill; House-Senate Conference Committee

- “[F]irst comprehensive revision of the federal securities laws governing private securities litigation since their enactment as part of the New Deal.” —The Business Lawyer (American Bar Association), Aug. 1996
- *Won two-thirds majorities in House and Senate*
- *Refocused securities class actions on meritorious claims, increasing average and total shareholder recoveries*

**Prior to his service in Congress, Chris Cox had extensive experience in securities and corporate finance:**

- o As White House counsel, prepared analysis of executive powers in event of global market crisis
- o Oversaw creation of Brady Commission following 1986 stock market crash
- o Securities practitioner: partner in charge of Corporate Department, Latham & Watkins, Orange County office until 1986
- o Lecturer on Business Administration, Harvard Business School, 1982-83
- o Editor, Harvard Law Review, 1975-77; article on securities law cited by U.S. Supreme Court in *Santa Fe Industries v. Green*
- o MBA, Harvard Business School, 1977

**Leadership.**

**Chairman Cox has been elected by his House colleagues to the Majority Leadership in six successive Congresses.**

**As Chairman of the House Policy Committee, he has forged legislative consensus on a wide range of domestic policy, foreign policy, and national security issues. He has repeatedly been chosen to lead on the most substantive and pressing tasks facing the Congress:**

- o Ten years in the Elected Majority Leadership of the House
- o Chairman of four congressional committees:
  - Homeland Security Committee (present)
  - Select Committee on Homeland Security (108th Congress)
  - Select Committee on U.S. National Security (105th and 106th Congresses)
  - House Policy Committee (104th - 109th Congresses)

## **Bipartisanship.**

**The hallmark of Chris Cox's work in Congress has been bipartisanship and collegiality. In each of his leadership positions he has succeeded in producing consensus solutions based on sound policy:**

- o The first-ever Homeland Security Authorization Act, authored by Chairman Cox, passed unanimously in the committee and by 424-4 in the House
  - o The Cox-authored First Responder bill, reforming the way billions of dollars are granted by the Department of Homeland Security, passed in committee unanimously, and in the House by an overwhelming margin
  - o Every bill reported by the Select Committee on Homeland Security came on a unanimous, bipartisan vote
  - o The report of the Cox co-chaired Study Group on Enhancing Multilateral Export Controls for U.S. National Security (a Senate-House-executive panel mandated by the Defense Authorization Act of 1999) was bipartisan and unanimous
  - o The three-volume report of the Cox-chaired Select Committee on U.S. National Security, which investigated violations of the export control laws by satellite companies Hughes and Loral, was bipartisan and unanimous
  - o Every Policy Statement issued by the House Policy Committee during Rep. Cox's 10-year tenure was unanimous and agreed to by every relevant standing committee of the House
  - o The report of the Commission on Entitlement and Tax Reform (to which Rep. Cox was appointed as a Commissioner by President Clinton) was bipartisan and agreed to by an overwhelming majority
  - o The Cox-authored Private Securities Litigation Reform Act, a collaboration with Senators Chris Dodd (D-CT) and Pete Domenici (R-NM), passed both House and Senate with bipartisan super-majorities
- Chris Cox has consistently worked across the aisle to forge bipartisan consensus on a wide range of issues:
- o His Internet Tax Freedom Act, co-authored with Sen. Ron Wyden (D-OR), has repeatedly passed the House and Senate with large bipartisan majorities
  - o With Reps. Nancy Pelosi (D-CA), Barney Frank (D-MA), and Tom Lantos, Rep. Cox has worked to support democracy activists in China, Russia, and around the world

- o Rep. Cox's 10-year work to repeal the Death Tax has won strong bipartisan support
- o Rep. Cox's legislation to privatize the National Helium Reserve -- now the third-largest privatization in U.S. history, surpassing the sale of Conrail -- was a collaboration with Reps. Barney Frank (D-MA) and Bernie Sanders (I-VT)
- o With Rep. Martin Frost (D-TX), Rep. Cox co-chaired the Speaker's Advisory Group on the Continuity of Congress following the events of 9/11; the group's recommendations, since enacted, were unanimous and bipartisan
- o With Rep. Frank Pallone (D-NJ), Rep. Cox co-chaired the Congressional Grace Caucus, to eliminate waste in government

### **Ethics.**

In 2002, as a member of the House-Senate conference committee that wrote the Sarbanes-Oxley Act, Chairman Cox was a leader in promoting strong reforms to restore investor confidence in the integrity of the capital markets. Here is what he said:

*Statement of Rep. Christopher Cox  
At Meeting of Conferees on the Sarbanes-Oxley Act of 2002*

REP. CHRISTOPHER COX: Thank you very much, Mr. Chairman. I want to begin by commending you, Chairman Oxley, and Chairman Sarbanes for your extraordinary good work.

Fraud and unfair dealing are the enemies of the free enterprise system. And as we can see from the turmoil in our markets, our country is paying a very high price because those in power have broken faith with their employees and their investors.

We have tough laws on the books to deal with all manner of crime, including corporate crime. But just as bacteria mutate to defeat antibiotics, those who cook the books practice a devious art and constantly change their recipes, and we must keep our laws and our remedies up to date.

The legislation we're adopting today is carefully tailored to the abuses that were uncovered in House and Senate hearings and investigations. Enron and Global Crossing and WorldCom, and other cases in which investors have been defrauded, all have centered around accounting. Abuses of accounting rules were central to each of these scandals. And so, using the regulatory thicket of detailed accounting rules as cover, the malefactors in these cases intentionally structured sham transactions in order to hide their true financial position. That is why the central reform in both the House-passed legislation and the Senate-passed legislation that we are reconciling here today has been the creation of an Accounting Oversight Board that will delve deeply into the ways that

accounting and accountants have become accomplices to deceit. Its mission is to see to it that accounting standards once again make financial reports truthful, honest and clear.

Using existing laws, our government will, undoubtedly, soon put those most culpable into prison, I have no doubt. But today we are enacting good, tough, strong, new rules.

I should add, in conclusion, that no amount of new rules, no amount of government enforcement can eliminate the importance of honesty and character and ethics in our capital markets and in our places of work. Enron and WorldCom and Global Crossing and Tyco and the rest aren't problems of business ethics; they are problems of ethics. And in this, the leadership of President Bush has been essential.

He has asked every American to meet a higher standard. And as we raise the legal standard here today, we should bear in mind our obligation to do still more to ensure that the best and the brightest will still want to join the accounting profession, to make sure that our most experienced citizens, possessed of good judgment and good reputation, will be willing to perform the crucial oversight functions of the board of directors, and that entrepreneurs will still take the risks and dream boldly, without fear of being second-guessed if the race is not won.

This is an important step we're taking today, Mr. Chairman. We have answered the president's call to put on his desk this week this tough and fair legislation. We have put the country and every American worker and investor ahead of partisanship. I'm very happy to join in support of this conference report.